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2016 Community Development Block Grant Owner-Occupied Rehabilitation Application Policy

Overview and Funding Priorities

The purpose of the OOR Program is to preserve affordable housing stock by providing funding to selected applicants for the rehabilitation of owner-occupied housing for low to moderate-income households. Through this program, IHCD A seeks to improve the quality of life of assisted individuals and the quality of the existing housing stock in Indiana.

This program is designed to allocate CDBG and CDBG Disaster (CDBG-D) funds to be used for Owner-Occupied Rehabilitation (OOR) among selected applicants who have developments that meet IHCD A's requirements and goals for the program:

- Demonstrate they are meeting the needs of their specific community.
- Attempt to reach low and very low-income levels of Area Median Income (AMI).
- Are ready to proceed with the activity upon receipt of the award.
- Propose projects that assist individuals with disabilities.
- Propose the use of Minority Business Enterprise and/or Women-Owned Business Enterprise and Indiana contractors, employees, and products.

Additional information may be found on IHCD A's CDBG website: <http://www.in.gov/myihcda/cdbg.htm>

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Part 1: Application Process

1.1 CDBG and CDBG-D OOR Application Forms and CDBG and CDBG-D OOR Policy Discrepancies

In the event of a conflict or inconsistency between the CDBG and CDBG-D OOR Application Forms, Appendices, and/or CDBG and CDBG-D OOR Application Policy, the CDBG and CDBG-D OOR Application Policy will prevail.

1.2 Funding Round Timelines

Note: This is an anticipated schedule and is subject to change or extension.

Fiscal Year 2016 Round:

Application Available / Round Begins	May 2, 2016
Application Webinar	June 2016 (date and time TBD)
Application Due Date	July 1, 2016
Award Announcements	August 26, 2016

1.3 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, IHCD A Real Estate Production Department staff will describe the requirements of the OOR program, threshold and scoring criteria, how to complete the required forms, and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are strongly encouraged to attend the application webinar.

1.4 Technical Assistance

The Applicant may schedule a technical assistance meeting with their regional IHCD A Real Estate Production Analyst to discuss both the proposed development and IHCD A's application process. Technical assistance may be required at IHCD A's discretion if the applicant does not have experience with IHCD A awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.5 Application Submission

Applicants must submit the following items to IHCD A's Real Estate Department Coordinator:

- Via IHCD A's electronic file transfer (FTP) site:
 - Two completed copies of the final application form, one as an Excel file and one as a searchable PDF.
 - All supporting documents required in the tabs. Please submit this information as separately, labeled PDF documents, each labeled to indicate the appropriate tab. The Tab label directory is located at the end of IHCD A CDBG and CDBG-D OOR Application Policy (this "Application Policy"). Do not send one PDF containing all of the supporting documentation.
- Via hard copy:
 - One completed copy of the final application forms with original signatures
 - Environmental Review Record (ERR)



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All required application items are due no later than 5:00 p.m. Eastern Standard Time, on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the application webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: CDBG and CDBG-D OOR Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package for their records. Applicants that receive funding will be bound by the information contained in this application package.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant of receipt by IHCDA. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding the 2016 CDBG and CDBG-D OOR Application.

1.6 Application Review

Each application must address only one development. Applications are reviewed in a seven step process:

<i>Step One – Completeness</i>	IHCDA reviews to determine if the applicant submitted all required documents, signatures, and attachments before the application deadline.
<i>Step Two – Preliminary Threshold</i>	IHCDA reviews application and submitted documents to determine if the application meets the minimum threshold criteria for awards.
<i>Step Three – Threshold Clarification</i>	IHCDA provides preliminary threshold review information to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. If the applicant responds, it must be by the deadline set by IHCDA.
<i>Step Four – Final Threshold</i>	IHCDA reviews applicant's response to preliminary threshold and determines if applicant meets threshold. If applicant does not meet threshold, the application will not be scored or awarded funding.



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Step Five – Preliminary Scoring

Applications that pass the completeness and threshold reviews are scored according to IHCD A’s published scoring criteria in this policy.

Step Six – Scoring Clarification

IHCD A provides a preliminary score sheet to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. No new scoring documentation may be submitted after the initial application has been submitted. Any response must be received by the deadline set by IHCD A.

Step Seven – Final Scoring

IHCD A reviews applicant’s response to preliminary scoring and determines a final application score. Applications with more than three outstanding threshold and/or scoring clarifications at final threshold or final scoring, respectively, will be disqualified. IHCD A determines which applications will be funded based on their final scores. Some applications may receive less than their total request amount based on the total funding available.

Bonus points will be awarded to applications that are submitted according to IHCD A’s guidelines, who pass Threshold without any technical errors or incomplete information.

Funded applications will be announced at the published IHCD A Board Meeting date in August. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified via a denial letter and final score sheets which will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will **not** be rolled over into the next funding round.

1.7 Minimum Score Requirement

An application must score at least 40 points to be considered for funding.

1.8 IHCD A CDBG & HOME Program Manual 3rd Edition

The IHCD A CDBG & HOME Program Manual outlines the requirements for administering IHCD A’s CDBG awards. A complete copy of the CDBG & HOME Program Manual is available on IHCD A’s website at this location:

http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf

Program Manual exhibits may be found at <http://www.in.gov/myihcda/2490.htm>



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Part 2: Eligible Applicants

2.1 Eligible Applicants

Community Development Block Grant (CDBG)	Cities, Towns, and Counties that <u>are not</u> CDBG entitlement communities: (Entitlement communities are listed below)	Cities, Towns, and Counties that <u>are</u> CDBG entitlements: (Entitlement communities are listed below)	CDBG-D Non-eligible counties: (Listed on page 5)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Eligible Applicants:	✓	Not eligible	✓	Not eligible	Not eligible	Not eligible
Community Development Block Grant Disaster (CDBG-D)	Cities, Towns, and Counties that <u>are not</u> CDBG entitlement communities: (Entitlement communities are listed below)	Cities, Towns, and Counties that <u>are</u> CDBG entitlements: (Entitlement communities are listed below)	CDBG-D Non-eligible counties: (Listed on page 5)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Eligible Applicants:	✓	✓	Not eligible	✓	Not eligible	Not eligible

CDBG OOR Funds

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, public housing authorities, regional planning commissions, and/or townships are encouraged to participate in activities as subrecipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following CDBG entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Columbus	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

*The following communities in Hamilton County are eligible for CDBG funds: Arcadia, Atlanta, Cicero and Sheridan.

**Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is located outside of Marion County.



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CDBG Disaster OOR Funds

Eligible applicants include not-for-profit 501(c)3 or 501(c)4 organizations, cities, towns, or counties that are located in Indiana but outside of the below ineligible CDBG Disaster counties.

Cities, towns, and counties within the following counties are NOT eligible to apply for CDBG-D funds:

Blackford	Clinton	Delaware	Howard	Lagrange
Miami	Steuben	Tipton	Warren	Wells

*Note: Entitlement communities that are not eligible to apply for CDBG funding are eligible to apply for CDBG-D funding.

Proposed activities from eligible counties must be consistent with the State's HUD-approved Disaster Plan.

2.2 Ineligible Applicants

IHCDA reserves the right to disqualify any application from an applicant, subrecipient, administrator, preparer, or related party with a history of disregarding policies, procedures, or staff directives associated with administering any program through IHCDA. This also applies to programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs (OCRA), the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development (USDA), or the Federal Home Loan Bank (FHLB).

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in Chapter 17 of the IHCDA CDBG & HOME Program Manual.

2.3 Religious and Faith-Based Organizations

- i. Religious/faith-based organization eligibility. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the OOR program. Neither the Federal Government nor a State or local government receiving funds under the OOR program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- ii. Beneficiaries. In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.
- iii. Separation of explicitly religious activities. Recipients and subrecipients of OOR program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and



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participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.

- iv. Religious identity. A faith-based organization that is a recipient or subrecipient of OOR program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, an OOR program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- v. Alternative provider. If a program participant or prospective program participant of the OOR program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- vi. Structures. Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the OOR program. Sanctuaries, chapels, or other rooms that an OOR program-funded religious congregation uses as its principal place of worship, however, are ineligible for OOR program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 2 CFR 200.311).



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- vii. Supplemental funds. If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.



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Part 3: Eligible Activities & Program Requirements

3.1 Eligible Activities

The purpose of the OOR Program is to provide subsidies in the form of grants to selected applicants for the rehabilitation of owner-occupied housing for low to moderate-income people. The program is intended for the rehabilitation of owner-occupied housing that serves as the homeowner's primary residence.

- To be eligible for owner-occupied rehabilitation, the homeowner beneficiary must be low-income and occupy the property as a principal residence. A household owns a property if that household:
 - Has fee simple title to the property; or
 - Maintains a 99-year leasehold interest in the property; or
 - Owns a condominium; or
 - Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
 - If held in a life estate, the person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent.

Ownership does not include land sale contracts/contracts for deeds or life estates, unless the life estate meets all the criteria listed above.

- Eligible repairs:
 - Minor repairs which can include, but are not limited to, an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
 - Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.
 - Funds may be used to remedy conditions that, while not posing an immediate threat to health and safety, represent an ongoing threat to the structural integrity of a building and may eventually result in an emergency situation.

Owner-occupied rehabilitation is subject to the Owner-Occupied Rehabilitation Priority List (see Application Appendices) when determining scope of work.

- Manufactured homes are eligible if they meet IHCD A's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
 - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
 - Shall have been constructed after January 1, 1981, and must exceed 950 square feet of occupied space per I.C. 36-7-4-1106 (d);
 - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;



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- Has wheels, axles and towing chassis removed;
- Has a pitched roof;
- Consists of two or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
- Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
- All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCD A.

3.2 Ineligible Activities

The following are ineligible activities:

- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- The provision of project-based tenant rental assistance;
- Rehabilitation of mobile homes, unless they meet the criteria listed above;
- Acquisition, rehabilitation, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the development;
- Rehabilitation of multi-family or single-family rental housing; and
- Rehabilitation of a garage.

In addition, IHCD A **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, marital status, sexual orientation, or gender identity in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities; and
- Medical research or medical profit-making enterprises.

3.3 OOR Program Requirements

The proposed OOR development must follow these minimum requirements, and all other requirements set forth in the CDBG & HOME Program Manual, to be eligible for funding. For further details on each requirement, please see IHCD A's CDBG & HOME Program Manual, available at <http://www.in.gov/myihcda/2490.htm>.

CDBG AND CDBG-D REQUIREMENTS

- Recipients must comply with all regulatory requirements listed in [24 CFR Part 570](#).

Applicants should familiarize themselves with IHCD A's CDBG & HOME Program Manual. Requirements include, but are not limited to, the following:

- **Policy Requirements, Chapter 1:**



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- Recipient must hold a minimum of two public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions.
- The match/leverage requirement for both the CDBG and CDBG-D programs is 10% of the total amount of CDBG or CDBG-D funds drawn minus administration costs. Banked match and shared banked match are both eligible. (IHCD A [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)
- The homeowner beneficiary must own the property and must occupy the property as a principal residence.
 - If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
 - Ownership does not include life estates (unless the person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent) and land sale contracts/contracts for deeds.
- **Lead Based Paint, Chapter 2:**
 - Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
- **Uniform Relocation Act, Chapter 4:**
 - Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCD A's [CDBG & HOME Program Manual](#) Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at [49 CFR Part 24](#), and the requirements of [Section 104\(d\) of Title I of the Housing and Community Development Act of 1974, as amended](#).
- **Fair Housing and Civil Rights, Chapter 5:**
 - Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award.
- **Section 3, Chapter 7:**
 - Any recipient receiving an aggregate amount of \$200,000 or more from one or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Eligibility and Verification, Chapter 8:**
 - The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies.
 - Income verification is valid for a period of six months. If more than six months pass between the income verification and contract execution a new income verification must be completed.
- **Procurement Procedures, Chapter 11:**



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- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Additionally, owner-occupied rehabilitation program regulations require that adequate property insurance be maintained throughout the affordability period. The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award.
- **Environmental Review, Chapter 11:**
 - All applicants are required to complete the environmental review record (ERR) and submit it, in hardcopy, with their application as an application threshold item. The resulting IHCD A Release of Funds is required before fully executed award documents are released and before proceeding with the project.
- **Construction Standards (Construction Standards and Physical Inspections, Chapter 14):**
 - All IHCD A-assisted units must be inspected twice during the award period. The first inspection, by a licensed, or IHCD A approved, third-party building inspector must occur within 30 days of completion of the documented scope of work and prior to the IHCD A Inspector's final physical inspection. The final inspection conducted by an IHCD A inspector must be performed after the independent inspection, upon completion of construction on each unit and correction of any findings from the first inspection. (IHCD A [CDBG & HOME Program Manual](#), Construction Standards & Physical Inspections Chapter 14)
- **Limited English Proficient Persons**
 - Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
- **Uniform Requirements**
 - The recipient shall comply with 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"
- **Debarment and Suspension**
 - The requirements in 2 CFR part 2424 are applicable. Neither CDBG nor CDBG-D funds may not be provided to excluded or disqualified persons.



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- **Federal Financial Accountability and Transparency Act of 2006 (FFATA) Reporting Requirements**
 - FFATA reporting requirements applies all federal funding awarded by IHCD A in the amount of \$25,000.00 or greater under all of IHCD A's federal programs.
 - As a sub-recipient, your entity must provide any information needed pursuant to these requirements. This includes (1) entity information, (2) the unique identifier of your entity, (3) the unique identifier of the parent of your entity, and (4) relevant executive compensation data, if applicable. This will require your entity to provide IHCD A with your entity's DUNS number and registering with the System for Award Management ("SAM").
 - Executive Compensation - As described above, you will be required to report to the SAM, the names and total compensation of the five most highly compensated officers of your entity if your entity received eighty percent (80%) or more of its annual gross revenues from Federal contracts and Federal financial assistance (as defined at 2 CFR 170.320) and \$25,000,000.00 or more in annual gross revenues from Federal contracts and federal financial assistance (as defined at 2 CFR 170.320); and if the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.
 - Exception to Executive Compensation Requirement - Your entity may certify that it received less than eighty percent (80%) of annual gross revenues from the federal government, received less than \$25,000,000.00 of its annual gross revenues from the federal government, already provides executive compensation to the Securities Exchange Commission, or meets the Internal Revenue Code exemption, and will not be required to submit executive compensation data into the SAM under FFATA, provided, that the your entity registers in the SAM and submits the other data requested.
 - Compliance requires that your organization take the following two (2) steps:
 - Obtain a DUNS number and Provide DUNS number to IHCD A (when requested by IHCD A). A DUNS number may be requested from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://www.dnb.com/get-a-duns-number.html>).
 - Register and maintain SAM status Registration information (must be updated annually) and provide copy of proof of registration to IHCD A (when requested by IHCD A). Information regarding the process to register in the SAM can be obtained at <https://www.sam.gov/portal/public/SAM/>
- **Minimum Draw Down on Past CDBG Awards**
 - Before an applicant can apply for a new HOME, CDBG or CDBG Disaster award, any other HOME, CDBG or CDBG Disaster awards that the applicant has received from IHCD A must be drawn down by a minimum of 50% of the award's total funding amount, with the exception of 2015 CDBG/-D awards.

CDBG-D SPECIFIC REQUIREMENTS



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- Each homeowner beneficiary assisted with CDBG-D funds must execute a Duplication of Benefits Affidavit (“Affidavit”). A copy of this affidavit must be attached to the applicant’s award agreement with IHCD A as Appendix A. This Affidavit must be maintained in the applicant’s client files.

3.4 Affordability Requirements

HOMEOWNER OOR AGREEMENT

The recipient must ensure that each property owner who receives assistance executes a homeowner OOR agreement created by IHCD A. The homeowner OOR agreement must be executed prior to the lien and restrictive covenant agreement and explains to the homeowner the requirements associated with the assistance. The homeowner OOR agreement does not take the place of the lien and restrictive covenant agreement and does not need to be recorded.

LIEN AND RESTRICTIVE COVENANT AGREEMENT

The recipient must ensure that a lien and restrictive covenant is executed and recorded on every property that receives assistance. The lien and restrictive covenant agreement and any amendments must be created by IHCD A.

AFFORDABILITY PERIOD

The affordability period for a property begins on the date the completion report for that property is submitted and approved. Therefore, it is in the homeowner’s best interest for the recipient to submit the completion reports to IHCD A as soon as possible.

Completion reports must be submitted within 45 days after completion of the contracted rehabilitation work. The award will be considered completed and closed when all completion and close out documents have been submitted and approved, third-party inspection (within 30 days of completion of construction) and inspection by IHCD A is completed for each address, final compliance monitoring is completed and all findings or concerns are resolved, and all of the funds are drawn and/or de-obligated.

During the affordability period the home must remain the owner’s principal place of residency. (IHCD A CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).

The following Affordability Periods apply to both CDBG & CDBG-D activities:

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Under \$5,000	1 year
\$5,000.01 - \$10,000	2 years
Over \$10,000.	3 years



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RECAPTURE OF ASSISTANCE

If any of the following events occur, IHCD A will recapture the amount of amount of eligible CDBG and CDBG-D funding associated with the rehabilitation including, ER, Lead and Program Delivery:

- The homeowner transfers or conveys the property by deed, land contract, or otherwise;
- Foreclosure proceedings are commenced against the property;
- The property is transferred by an instrument in lieu of foreclosure; or
- The title to the property is transferred from the homeowner through any other involuntary means.

However, if the property is transferred or conveyed to a new owner who meets the income requirements (with income documentation approved by IHCD A), who agrees to execute a lien and restrictive covenant prepared by IHCD A, and will use the property as his or her principle residence for the remainder of the affordability period, no recapture of funds are required.

If the homeowner passes away during the affordability period, the lien still must be paid off like any other mortgage or lien, however if the property is sold to another low income family who is willing to maintain a lien on the property for the remainder of the affordability period and use the property as his or her principle residence, no recapture of funds is required. Once the homeowner dies the lien will not be forgiven past that date.

AMOUNT OF RECAPTURE

The amount to be recaptured shall be reduced on a pro rata basis, by dividing the amount of time the homeowner(s) has used the housing for a principal residence during the affordability period by the total amount of time in the affordability period. If there are not any proceeds, there is no amount to recapture.

Net proceeds are defined as the total sales price minus all loan and/or lien repayments. The forgiveness ratio is defined as the ratio that calculates the amount of the subsidy that is forgiven. This ratio shall be calculated at the time of a Recapture Event, by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the affordability period. The recipient is ultimately responsible for repaying IHCD A funds utilized for any housing rehabilitated or repaired that does not remain affordable for the entire affordability period.

NON-COMPLIANCE

Non-compliance occurs during the affordability period when any of the following occur: 1) the homeowner no longer occupies the property as his or her principal residence (i.e., the property is rented or vacant), or 2) the property was sold during the affordability period and the recapture provisions were not enforced and/or neither IHCD A nor the recipient received notice. In the event of noncompliance, the owner must repay the entire amount of the IHCD A funds that were invested into the property. Net Proceeds, as defined above, and the forgiveness are not applicable when there is a non-compliance.

THEREFORE, IT IS IMPERATIVE THAT THE OWNER DOES NOT ABANDON OR LEASE THE PROPERTY DURING THE AFFORDABILITY PERIOD.

The recipient is ultimately responsible for repaying IHCD A any CDBG or CDBG-D funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of CDBG or CDBG-D funds invested into the unit as



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shown in the chart above. (IHCD A CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).



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Part 4: Subsidy Limitations & Eligible Activity Costs

4.1 Subsidy & Budget Limitations

The maximum request amount per application is \$350,000.

CDBG and CDBG-D funds may not exceed \$25,000 per unit for the rehabilitation budget line item.

Combined CDBG and CDBG-D funds budgeted for program delivery, award administration, and environmental review cannot exceed twenty percent (20%) of the OOR award.

4.2 Eligible Activity Costs

The bolded items listed below are included in the application budget. The requirements set forth in Sections 4.3 – 4.9 apply to both CDBG and CDBG-D funding. If you have a question about which line item an expense goes under, contact your IHCD A Real Estate Production Analyst.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCD A award and complying with the regulations associated with these funds. This line item, along with program delivery and environmental review, cannot exceed twenty percent 20% of the CDBG or CDBG-D request; costs incurred and claimed cannot exceed \$10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCD A are not eligible for reimbursement through a CDBG award. Eligible costs include:

- Communication costs;
- Lead based paint training;
- Office materials and supplies;
- Office rent and utilities;
- Photocopying;
- Postage;
- Staff time or professional services related to reporting, compliance, monitoring, or financial management;
- Training related to the housing activity; and
- Travel related to the housing activity.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment (Phase I EA should be included in the Program Delivery line item). This line item along with program delivery and administration cannot exceed 20% of the CDBG or CDBG-D request. Eligible costs cannot exceed \$5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 Exhibits of the IHCD A CDBG & HOME Program Manual available here: <http://www.in.gov/myihcda/2490.htm>.

LEAD HAZARD TESTING – Costs associated with lead hazard testing include Risk Assessment, Clearance Test, etc. The limits for this line item are \$1,000 per unit.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the



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implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed 20% of the CDBG or CDBG-D request. Recipients are allowed to draw down this line item as costs are incurred.

Eligible costs include:

- Building permits;
- Client intake and income verification;
- Cost estimates;
- Credit reports;
- Demolition permits;
- Engineering and architectural plans;
- Impact fees;
- Inspections;
- Legal and accounting fees;
- Plans, specifications, work write-ups;
- Recording fees; and
- Travel to and from the site.

REHABILITATION – Eligible costs include:

- Construction management, if provided by a third party;
- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, and hazardous structural conditions;
- Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served;
- Lead-based paint interim controls and abatement costs;
- Mold remediation; and
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety.

RELOCATION - Relocation includes payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCD A's [CDBG & HOME Program Manual](#).

RETAINAGE POLICY - IHCD A will hold the final \$5,000 of an award until all match documentation, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

4.3 Ineligible Activity Costs

The following are ineligible activity costs, and will not be reimbursed by IHCD A:

- Annual contributions for operation of public housing;
- Commercial development costs;



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- Costs associated with any financial audit of the recipient;
- Costs associated with preparing an application for funding through IHCD A;
- Developer's Fee;
- Loan guarantees;
- Mortgage default/delinquency correction or avoidance;
- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental development. This line item must be included on the Uses of Funds exhibit;
- Providing tenant based rental assistance;
- Purchase or installation of luxury items, such as swimming pools or hot tubs;
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers;
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners; or
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.



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Part 5: Completeness & Threshold Requirements

Each proposed development must satisfy the Federal requirements of the CDBG and CDBG-D OOR program and any additional requirements established by IHGDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

5.1 Completeness and Threshold Requirements

- 1) Timeliness – All documentation must be turned in by the application due date.
 - On or before the application deadline, the applicant must provide all documentation as instructed in this Application Policy and as listed in the CDBG and CDBG-D OOR Application.
 - If IHGDA requests additional information from the applicant, all requests are due on or before the date provided by IHGDA staff.
 - Any forms that are late will be denied review and will be sent back to the applicant.
- 2) Responsiveness – All questions must be answered and all supporting documentation must be provided.
 - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.).
 - Required pages with original signatures.

Completeness	Location
<i>Application and Supporting Documents</i> <ul style="list-style-type: none"> • Submit two copies of fully-completed CDBG and CDBG- D OOR application, one as an Excel file and one as a searchable PDF. • Submit all required supporting documents via the IHGDA FTP Site. • Mail one complete original copy of the signed application and the signed Environmental Review Record (ERR) to IHGDA by the application deadline. Do not submit paper copies of any other supporting documents. 	FTP site and mailed to IHGDA
Threshold Item	Location
<i>SAM Registration</i> <ul style="list-style-type: none"> • Submit a copy of the applicant's System of Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1 	Tab A_SAM Registration
<i>Targeted Area Map</i> <ul style="list-style-type: none"> • Submit a map which outlines the targeted area or neighborhood. 	Tab B_Targeted Map
<i>Grievance Procedures</i> <ul style="list-style-type: none"> • Submit applicant's Grievance Procedures. Grievance Procedures must address (1) how grievances will be submitted, (2) who will review them, (3) timeframe for the review, and (4) the appeal process. 	Tab C_Grievance Procedures
<i>Area Median Income Level Served</i> <ul style="list-style-type: none"> • Affirm in application that all assisted units will serve households with income at or below 80% area median income for development's county according to the current Federal Program Income Limits. 	Application, Sheet 04
<i>Grant Letters of Commitment (if applicable)</i> <ul style="list-style-type: none"> • Submit signed letter of commitment for grant(s) with funding terms and amounts. 	Tab D_Letters of Commitment



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<i>Cash Donations Letters of Commitment</i> <ul style="list-style-type: none"> Submit signed letters of commitment for private or public cash donations. 	Tab D_Letters of Commitment
<i>In-Kind Donations – Labor or Professional Services (if applicable)</i> <ul style="list-style-type: none"> Submit commitment letter from donor(s) specifying number of hours they intend to donate and their professional service pay rate. 	Tab D_Letters of Commitment
<i>In-Kind Donations – Sweat Equity (if applicable)</i> <ul style="list-style-type: none"> Submit a copy of sweat equity policy. 	Tab D_Letters of Commitment
<i>In-Kind Donations – Donated Material and Equipment (if applicable)</i> <ul style="list-style-type: none"> Submit commitment letter from donor(s) specifying either the total value of the donated materials or the rental equipment rate and number of hours the equipment will be donated. 	Tab D_Letters of Commitment
<i>In-Kind Donations – Other Government Fees (if applicable)</i> <ul style="list-style-type: none"> Submit commitment letter from local unit of government with value of donation. 	Tab D_Letters of Commitment
<i>Banked Match Letter of Commitment (if applicable)</i> <ul style="list-style-type: none"> Submit commitment letter signed by non-profit Board President. 	Tab D_Letters of Commitment
<i>Shared Match Signed Agreement (if applicable)</i> <ul style="list-style-type: none"> Submit commitment letter from the recipient who is donating the match, which specifies shared match amount. 	Tab D_Letters of Commitment
<i>Not-for-Profit Applicant Documentation (if applicable)</i> <ul style="list-style-type: none"> Submit an IRS determination letter for 501(c)3 status. Provide a copy of the Certificate of Existence from the Indiana Secretary of State to provide proof that the organization is in good standing. Provide a copy of notification letter sent to local unit of government. Provide proof of delivery of local government notification letter, either an email read receipt or a mail delivery receipt. 	Tab E_Not-for-Profit
<i>Administrator Documentation (if applicable)</i> <ul style="list-style-type: none"> If the applicant has hired an administrator to administer the award, please provide documentation demonstrating that the administrator has been properly procured using the Competitive Negotiation (RFP) Procedure. <ul style="list-style-type: none"> Submit a copy of the Request for Proposals (RFP). Submit the published advertisement that was put in a general circulation newspaper for the RFP. Submit a copy of the signed contract between applicant and administrator. 	Tab F_Administrator
<i>Subrecipient Documentation (if applicable)</i> <ul style="list-style-type: none"> Submit an IRS determination letter for 501(c)3 status. Provide a copy of the Certificate of Existence from the Indiana Secretary of State to provide proof that the organization is in good standing. Submit a copy of the signed contract between applicant and subrecipient. 	Tab G_Subrecipient
<i>Duplication of Benefits</i> <ul style="list-style-type: none"> Affirm in application that applicant understands if CDBG-D funding (disaster funding) is awarded each homeowner will be required to disclose and sign the Duplication of Benefits Affidavit. 	Application, Sheet 08



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<p><i>Third-Party Inspection</i></p> <ul style="list-style-type: none"> Affirm in application that applicant understands a third-party inspection must be completed on each address within 30 days of construction completion. Applicant may not wait until all addresses are completed unless construction on all addresses is completed within 30 days of each other. 	Application, Sheet 08
<p><i>Warranty</i></p> <ul style="list-style-type: none"> Affirm in application that applicant understands all contractors are required to provide a one-year warranty on their work. 	Application, Sheet 08
<p><i>Public Hearing</i></p> <p>Two public hearings are required for CDBG funding. One public hearing MUST occur prior to application submittal.</p> <ul style="list-style-type: none"> Provide the original tear sheet or original publisher's affidavit of legal notice that includes the date of the public hearing and the date of notice publication. Under Indiana Code (I.C. 5-3-1-2 (B)) there must be a minimum of one legal notice at least 10 calendar days prior to the public hearing. Submit a copy of the sign-in sheet. Submit a copy of the minutes of the public hearing, which must include the date and time of the meeting, the name and title of the person running the meeting, anyone who presented at the meeting, and all content posed to the public. Describe methods used to solicit participation of low and moderate-income persons. Describe any comments/complaints received and responses to the comments/complaints. 	Tab H_Public Hearing
<p><i>HUD or Rural Development Funding (if applicable)</i></p> <p>If the proposed development has received funding directly from HUD or Rural Development in the past, the applicant must send a notification letter to the appropriate HUD or Rural Development office notifying them that an application is being submitted to IHCA for federal funding.</p> <ul style="list-style-type: none"> Provide a copy of notification letter sent to HUD or Rural Development. Provide proof of delivery of notification letter, either an email read receipt or a mail delivery receipt. 	Tab I_HUD & RD
<p><i>Environmental Review Record (ERR)</i></p> <ul style="list-style-type: none"> Submit Environmental Review Forms (Exhibits A, B, E, F, the Findings page, and the Signatures page). <p>Once awarded, Exhibit G will then need to be submitted for each address. Please keep in mind that once awarded, all historic reviews (a part of the ERR) must be sent to the State Historic and Preservation Office (SHPO) for approval, which adds 30 days to the approval process for Release of Funds. The ERR forms are located in the appendices of this policy. For more detailed ERR instructions, please refer to the exhibits for Chapter 11 of the IHCA CDBG & HOME Program Manual 3rd Edition, available here: http://www.in.gov/myihcda/2490.htm.</p>	Tab J_ERR



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<p><i>Floodplain Determination Map</i></p> <p>Acquisition, rehabilitation, refinancing, or new construction of any part of a development, or its land, located within the boundaries of a 100 year floodplain is not eligible for CDBG/CDBG-D OOR funding. A FEMA FIRM Flood Map must be submitted for each parcel associated with the development.</p> <ul style="list-style-type: none">• Please submit FEMA FIRM Flood Map(s), which shows if the addresses in the development are or are not within the 100-year floodplain. Maps may be downloaded from the FEMA website here: https://msc.fema.gov/portal. Applicant must indicate on the FIRM Flood Map(s) the locations of addresses included within the development.	Tab J_ERR
<p><i>Affirmatively Furthering Fair Housing</i></p> <p>All CDBG-D award recipients must take action to affirmatively further fair housing in the jurisdiction they are serving.</p> <ul style="list-style-type: none">• Select which furthering fair housing activity or activities you will be conducting.	Application, Sheet 08



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Part 6: Scoring

If an application meets all applicable threshold requirements, it will be evaluated and scored based on the following scoring criteria:

Scoring Category	Points Possible
Development Characteristics	12
Readiness	8
Capacity	21
Financing	10
Unique Features	5
Completeness Bonus	5
Total Possible Points	61

When there is a scoring criteria based on the county being served and the development is in multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least 40 points to be considered for funding.

6.1 Development Characteristics **Category Maximum Points Possible: 12**

There are 12 total possible points for this scoring category, which describes the proposed OOR development.

The points can be achieved through the following sub-categories: Area Median Income (AMI) served, Serving Individuals with Disabilities, and Community Without Recent OOR Award.

- 1) Area Median Income (AMI) Served: *Maximum Number of Points: 6*
Six points will be awarded to applicants that commit to serving beneficiaries in CDBG/CDBG-D-assisted units in accordance with the following chart. The Area Median Income (AMI) level is for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels served will require prior IHCD approval. Rent and Income Limits may be found in Appendix C of the Ongoing Rental Compliance Manual located online at <http://www.in.gov/myihcda/2490.htm>.

Area Median Income (AMI) Served	Points
At least 20% of beneficiaries are at or below 30% AMI OR At least 30% of beneficiaries are at or below 40% AMI	6

To receive points in this category, the applicant must fill out the application section for AMI so that at least 20% of beneficiaries are at or below 30% AMI.

- 2) Serving Individuals with Disabilities *Maximum Number of Points: 3*



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Three points will be awarded to applicants that target populations with special housing needs under IHCA's priority in accordance with the following guidelines and chart.

Serving Individuals with Disabilities	Points
At least 20% of assisted households will have at least one individual living in the home with a disability using the Fair Housing definition of disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the Federal Programs Ongoing Rental Compliance Manual for more information on referral agreements.	3

To receive points in this category, the applicant must submit the Referral Agreement and Certification and Memorandum of Understanding in **Tab K Individuals with Disabilities**. The Referral Agreement and Certification and Memorandum of Understanding can be found in the Application Appendices.

3) Community Without Recent OOR Award

Maximum Number of Points: 3

Three points will be awarded to applicants whose proposed service area is a town, city, or county that has not received an Owner-Occupied-Rehabilitation award within the last five years

For clarification:

- If a county has received an OOR award within the last five years, but a more local unit of government within that county would like to apply that has not received an award within the last five years (i.e. a city), that city is eligible for points in this category.
- If a city within a county has received an OOR award within the last five years, but the county level of government would like to apply for an award and has not received an OOR award within the last five years, the county is eligible for points in this category.

To receive points in this category, the applicant must fill out this section of the application.

6.2 Readiness

Category Maximum Points Possible: 8

This category describes the applicant's ability to begin and timely execute an awarded development.

1) Client Intake

Maximum Number of Points: 6

Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified, are interested in participating in the OOR program, and have certified their income within twelve months of application date. A complete income verification is not required, but please provide the best estimate of the household's annual income after initial interview/contact. If full income verification has been completed, clients must be appropriately income-verified per the HUD Part 5 definition.



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Percentage of Units with Clients Identified	Points
25 - 50% of units	2
51 - 75% of units	4
76 - 100% of units	6

To receive points in this category, the applicant must fill out and submit the Client Intake List in **Tab L_Client Intake**. The Client Intake List can be found in the Application Appendices.

2) Contractor Solicitation

Maximum Number of Points: 2

Points will be awarded to applicants who invite material participation in the proposed OOR development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the development must be sent, with at least 20% of these letters going to state certified Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Federal Disadvantaged Business Enterprises (DBE), Veteran- Owned Small Businesses (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

To receive points in this category, the applicant must submit in **Tab M_Contractors**:

- A copy of the letter inviting the various contractors to participate in the bidding of the development;
- Provide proof of delivery of invitation letter, either an email read receipt or a mail delivery receipt, for five contractors; and
- For the 20% of letters sent to contractors certified as state MBE, WBE, DBE, VOSB, or SDVOSB, submit copies of the applicable and current certifications or a print out from the State's certification list clearly indicating the entities who were contacted and the date the certification list was printed.

Eligible Certifications Summary Table		
Certification	Certifying Agency	Website
MBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
	Indiana Minority Supplier Development Council	http://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/



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6.3 Capacity

Category Maximum Points Possible: 21

This category evaluates the administering entity responsible for compliance throughout the affordability period on their ability to successfully carry out the proposed OOR development based on certifications, experience, and overall award performance on previous awards.

1) Certifications

Maximum Number of Points: 6

Points will be awarded to applications which include an applicant or administering entity with a staff member or staff members who have received the certifications listed below. Three points will be awarded for the completion of one of the certifications listed below by a staff member of the administering entity. Six points will be awarded for the completion of two certifications listed below by a staff member or staff members of the administering entity. If two staff members hold the same certification, points will be awarded for two certifications.

If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst at least one week prior to the application due date to request that it be eligible for points.

Required IHCD Compliance Trainings, IHCD application and policy webinars, IHCD application and policy trainings, and IHCD feedback sessions are not eligible for points in this category.

Certification	Sponsoring Organization
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis/Indiana Housing and Community Development Authority
CDBG Grant Administration Certification (must be current)	Office of Community and Rural Affairs, State of Indiana
HOME & CDBG Certification Training	Indiana Housing and Community Development Authority (IHCD)

To receive points in this category, the applicant must submit in **Tab N_Certifications**:

- Documentation of certification completions or confirmation of attendance.

2) New Administrator Experience:

Maximum Number of Points: 3

Three points will be awarded to administering entities with no previous IHCD award experience that can demonstrate experience in construction management, rehabilitation of built structures, and/or prior CDBG experience through a different funding agency. The definition for administering entity can be found in the glossary section of this application policy.



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Administering entities with previous IHCD award experience are not eligible to receive points in this category.

To receive points in this category, the applicant must submit the following documentation in

Tab O_Experience:

- Provide a written narrative explaining previous relevant experience; and
- Provide third-party reference of experience in the above mentioned fields.

- 3) Administering Entity's IHCD Award Performance *Maximum Number of Points: 10*
- An administering entity may only use a non-OOR IHCD award for this scoring category if the award was monitored within the past five years and it has no prior IHCD OOR award monitored within the past five years. An award may be eligible, whether it is closed or open, as long as an official IHCD monitoring has occurred.

Description of Overall Award Performance	Points
Most recently monitored IHCD CDBG/-D OOR award had no findings and no concerns.	10
Most recently monitored IHCD CDBG/-D OOR award had no findings, but concerns were noted.	8
Most recently monitored IHCD CDBG/-D OOR award had only one finding. OR No IHCD CDBG/-D OOR experience, most recently monitored IHCD award (different activity) had no findings and no concerns.	6
No IHCD CDBG/-D OOR experience; most recently monitored IHCD award (different activity) had no findings, but concerns were noted. OR No IHCD CDBG/-D award within the last five years, but most recent CDBG/-D monitored award had no findings or concerns.	4
No IHCD CDBG/-D OOR experience; most recently monitored IHCD award (different activity) had only one finding.	2
Does not meet any category above. Examples: <ul style="list-style-type: none"> • More than one finding on most recently monitored award. • The organization administering the award has no experience with IHCD in the past five years. 	0

To receive points in this category, the applicant must submit the following in the application:

- Provide the applicable award number for the administering entity.

- 4) Timely Expenditure of Funds *Maximum Number of Points: 5*



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Points will be awarded to an administering entity that has expended their most recent IHCD HOME or CDBG or CDBG-D award funds by the award expiration date without requesting an award extension. The award must be from within the past 5 years. List the award number in the application form.

Award Length	Points
Most recent IHCD HOME or IHCD CDBG or CDBG-D award completed by the award expiration date.	5

To receive points in this category, applicant must submit the following in the application:

- Provide the award number of the most recently completed IHCD HOME or CDBG/-D award for the administering entity, which was completed by the award expiration date without an award extension.

6.4 Financing

Category Maximum Points Possible: 10

1) Public Monetary Participation

Maximum Number of Points: 5

Points will be awarded to applicants whose proposed development has received a firm commitment of other public funds. A “firm commitment” means that the funding does not require any further approvals. Public funds include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank, or waivers resulting in quantifiable cost savings that are not required by federal or state law. Banked and/or shared match, donated labor and services, and sweat equity are excluded from this category.

Points will be awarded based on the Amount of Public Funding divided by the Total Development Costs:

Percentage of Total Development Costs	Points
.50% to .99%	1
1.00% to 1.99%	2
1.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

To receive points in this category, the applicant must submit the following in **Tab D_Letters of Commitment**:

- Provide a letter from the appropriate authorized official approving the funds. The letter must include a description of the type of approved funding for the proposed development and the amount of funding.



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2) Non-Public Monetary Participation

Maximum Number of Points: 5

Points will be awarded to applicants whose proposed development has received a firm commitment to leverage other non-public funding sources. A “firm commitment” means that the funding does not require any further approvals. Other funding sources include, but are not limited to, private funding, funds from a local community foundation, donations, etc. Banked and/or shared match, donated labor and services, and sweat equity are excluded from this category.

Points will be awarded based on the amount of Non-Public Funding divided by the Total Development Costs:

Percentage of Total Development Costs	Points
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

To receive points in this category, the applicant must submit the following in **Tab D_Letters of Commitment**:

- Provide a letter from the appropriate authorized official approving the funds. The letter must include a description of the type of approved funding for the proposed development and the amount of funding.

6.5 Unique Features & Bonus

Category Maximum Points Possible: 10

1) Unique Program Features

Maximum Number of Points: 5

Points will be awarded to applicants that offer unique program features above and beyond what is required by this application policy. Unique features should be a creative addition to the proposed program.

Points are awarded relative to other developments being scored during each application cycle and are awarded in IHCD's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of five points.

Percentage of Applications	Points
10%	5
40%	4
40%	3
10%	2



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To receive points in this category, the applicant must submit the following in **Tab P_Unique Features**

- Provide a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

2) *Bonus*

Maximum Number of Points: 5

Points will be awarded to applications that are submitted according to IHCDA's submittal guidelines (see list below), and which pass Threshold without any technical errors or incomplete information.

To receive points in this category, the applicant must:

- Submit a searchable PDF of the application on the FTP site;
- Submit an Excel file of the application on the FTP site;
- Answer all questions in the policy and application;
- Submit all required threshold in the correct tabs;
- Submit all required threshold in the correct form (mailed and/or on the FTP site); and
- Label and include all tabs on the FTP site as described in the Application Policy. All tabs must be included regardless of whether documentation is required in each tab.



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6.6 Scoring Items Table

Scoring Items	Location
Area Median Income (AMI) Served <ul style="list-style-type: none"> Commit that at least 20% of beneficiaries served are at or below 30% AMI. 	Application, Sheet 04
Serving Individuals with Disabilities <ul style="list-style-type: none"> Submit Referral Agreement. Submit Certification and Memorandum of Understanding. 	Tab K_Individuals with Disabilities
Community Without Recent OOR Award <ul style="list-style-type: none"> Fill out application section. 	Application, Sheet 09
Client Intake <ul style="list-style-type: none"> Submit the Client Intake List to demonstrate income verified clients interested in participating in the program have been identified. 	Tab L_Client Intake
Contractor Solicitation <ul style="list-style-type: none"> Submit a copy of letter inviting contractors to participate in the bidding of the development. Provide proof of delivery of invitation letter, either an email read receipt or a mail delivery receipt, for five contractors. For the 20% of letters sent to contractors certified as state MBE, WBE, DBE, VOSB, or SDVOSB, submit copies of the applicable and current certifications or a print out from the State's certification list clearly indicating the entities who were contacted and the date the certification list was printed. 	Tab M_Contractors
Certifications <ul style="list-style-type: none"> Submit documentation of certification completions or confirmation of attendance. 	Tab N_Certifications
New Administrator Experience <ul style="list-style-type: none"> Provide a written narrative explaining previous relevant experience. Provide a third party reference of experience. 	Tab O_Experience
Administering Entity's IHDA Award Performance <ul style="list-style-type: none"> Provide award number of the most recently monitored IHDA HOME or CDBG/-D award. 	Application, Sheet 11
Timely Expenditure of Funds <ul style="list-style-type: none"> Provide award number of the most recently completed IHDA HOME or CDBG/-D award, which was completed by the award expiration date. 	Application, Sheet 11
Public Monetary Participation <ul style="list-style-type: none"> Provide a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed development and (b) the amount of funding. 	Tab D_Letters of Commitment
Non-Public Monetary Participation <ul style="list-style-type: none"> Provide a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed development and (b) the amount of funding. 	Tab D_Letters of Commitment



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<i>Unique Features</i> <ul style="list-style-type: none">• Provide a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.	Tab P_Unique Features
<i>Bonus</i> <ul style="list-style-type: none">• Submit a searchable PDF of the application on the FTP site;• Answer all questions in the policy and application;• Label and include all tabs on the FTP site as described in the Application Policy, regardless of whether documentation is required in each tab or not.• Submit all required threshold and scoring items in the correct tabs on the FTP site; and• Submit all required threshold and scoring items in the correct form (mailed and/or on the FTP site).	Application and all Tabs



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Part 7: FTP Site Tab Directory

When uploading supporting documentation to the FTP site, please create and name the tabs (file folders) as seen above and place correct documentation, as described throughout the Application Policy, in each tab.

Owner-Occupied Rehabilitation Program TAB Directory
Tab A_SAM Registration
Tab B_Targeted Map
Tab C_Grievance Procedures
Tab D_Letters of Commitment
Tab E_Not-for-Profit
Tab F_Administrator
Tab G_Subrecipient
Tab H_Public Hearing
Tab I_HUD & RD
Tab J_ERR
Tab K_Individuals with Disabilities
Tab L_Client Intake
Tab M_Contractors
Tab N_Certifications
Tab O_Experience
Tab P_Unique Features
Tab Q_Displacement



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Part 8: Glossary of Terms

Below are definitions for commonly used terminology found throughout the CDBG and CDBG-D OOR Application policy and forms and applicable to the OOR program.

Administrator: A procured entity that will assist carrying out the OOR program.

Administering Entity: This is the organization that will be carrying out the requirements of the award through the life of the affordability period. Since this entity will be doing the work required by the award, they are eligible for certain point categories. The applicant can administer its own award; however, it is also possible to procure a grant administrator or to have a subrecipient.

Beneficiary: The household or unit that receives homeowner repair work as a result of a CDBG/CDBG-D OOR grant.

CDBG: The Community Development Block Grant (CDBG) program is a federally-funded program that provides states and communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The Indiana Housing and Community Development Authority (IHCDA) is a State Administered CDBG program. The IHCDA allocates awards in the form of grants to Local Units of Government that carry out CDBG OOR developments.

Children: Children are defined as those persons ages 18 years of age or younger. The child must reside in the home that will benefit from the OOR program.

Development: The CDBG OOR activity proposed in the application.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older and modifications to the home are needed so this person may age in place in the home benefitting from the OOR program with the family.

Entitlement Community: The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.



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IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for developments giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Inspection: A scheduled visit made by an Inspector to the households units that received IHCDA CDBG/CDBG-D OOR grant dollars. All IHCDA-assisted households/units that receive CDBG/CDBG-D must be inspected twice during the award period. The first inspection must occur within four weeks of the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.

Leverage: Ten percent minimum contribution to the Community Development Block Grant program. Refer to the [CDBG and HOME Program Manual](#) for a list of eligible and ineligible sources of leverage. The leverage requirement is based on a percentage of the award amount less administration and environmental review costs.

Median Income: A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a [document](#) describing a [bilateral](#) or [multilateral](#) agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the development.

OOR: Owner-Occupied Rehabilitation